

**Detailed Action**

***Response to Amendment***

The reply filed on February 20, 2009 is not fully responsive to the prior Office Action because of the following omission(s) or matter(s): In the office action of August 21, 2008, Examiner discloses "Furthermore, Kiron and Groveman do not explicitly teach collecting demand...from a plurality of potential customers. On the other hand, Heffner discloses collecting demand...from a plurality of potential customers (para. 0209, 0012-0013, 0019, 0078, 0127- 0128, 0319, and 0328; fig. 5). Heffner discloses the investors then use collections of these purchased loan pools to create mortgage-backed securities. He discloses the purpose of the risk return module is to use collect the data over time to build dependence from subscribers on the system so that full trade-based decisions can be made based on the data available to the users in the risk return module. Thus, it would have been obvious to one of ordinary skill in the art to collect demand from a plurality of potential customers in relations to hedge a product because collecting products from customers enable a system to use the collected data over time to build dependence from subscribers/customers" in which Applicant's representative requested that Examiner pointed out where Groveman teaches this limitation. Please note that Heffner teaches this limitation and not Groveman, thus Examiner is unable to response to Applicant's representative remarks. See 37 CFR 1.111. Since the above-mentioned reply appears to be *bona fide*, applicant is given **ONE (1) MONTH or THIRTY (30) DAYS** from the mailing date of this notice, whichever is longer, within

which to supply the omission or correction in order to avoid abandonment.

EXTENSIONS OF THIS TIME PERIOD MAY BE GRANTED UNDER 37 CFR 1.136(a).

For the convenience of the Applicant, Examiner restated the office action of August 21, 2008, below:

***Claim Objections***

Claims **4** and **9** are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

**Claim Rejections - 35 USC § 103**

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims **1-2, 5-7, and 10-13** are rejected under 35 U.S.C. 103(a) as being unpatentable over Kiron et al. (US 2003/0074293) in view of Groveman et al. (US 7,103,569) and further in view of Heffner et al. (US US 2003/0018558).

Re claims **1, 6, and 11-13**, Kiron teaches a method operable on a computer for establishing a derivative financial product (para. 0026: Kiron discloses list derivatives on the securitized open end funds), comprising the steps of:

storing on computer information defining a collared option hedge product for a selected stock (para. 0063 ; Kiron discloses an index of securitized funds, as well as linked

derivative securities including puts and calls, futures, caps and floors, total return swaps, collars, etc);

allocating the collected demand for collared option hedge product ... (para. 0021-0037 and 0046; Kiron allocating portfolio value to a fixed number of shares over a predetermined period of time comprised by a real time open ended financial product); and storing the allocated demand on computer (para. 0041 and 0043; Kiron discloses an electronic database (a "master database") of extensive statistical information stored in a computer).

However, Kiron does not explicitly teach wherein the demand includes for each of the plurality of potential customers a quantity of stock of each potential customer for investing in a pool in connection with said collared option hedge product demand for collared option hedge product. On the other hand, Groveman discloses wherein the demand includes for each of the plurality of potential customers a quantity of stock of each potential customer for investing in a pool in connection with said collared option hedge product demand for collared option hedge product when he discloses a tracking basket of equities is selected using optimization techniques to ensure that the selected stocks (both identity and quantity) satisfy prescribed criteria and each of the equities in the tracking basket (or included in the index) is analyzed to determine the best candidates against which puts or calls can be sold (col. 3, lines 31-67). Groveman discloses the steps of enhancing the risk/reward profile of investing in the broader equity market or a particular sector of the market and offers the potential for profit in both rising and falling markets. Thus, it would have been obvious to one of ordinary skill in the art to demand for collared option hedge

when determining options trading including collars in order to collectively track basket of selected equities as discloses in Groveman.

Furthermore, Kiron and Groveman do not explicitly teach collecting demand...from a plurality of potential customers. On the other hand, Heffner discloses collecting demand...from a plurality of potential customers (para. 0209, 0012-0013, 0019, 0078, 0127-0128, 0319, and 0328; fig. 5). Heffner discloses the investors then use collections of these purchased loan pools to create mortgage-backed securities. He discloses the purpose of the risk return module is to use collect the data over time to build dependence from subscribers on the system so that full trade-based decisions can be made based on the data available to the users in the risk return module. Thus, it would have been obvious to one of ordinary skill in the art to collect demand from a plurality of potential customers in relations to hedge a product because collecting products from customers enable a system to use the collected data over time to build dependence from subscribers/customers.

Re claims **2** and **7**, Groveman teaches product features including a put option strike price, a call option strike price, an active time period and a maximum quantity of stock accommodated by product (fig. 1). Groveman discloses all puts sold the sum of the puts' strike price times its quantity times and the ordinary contract multiplier for an options contract. The strike prices that comprise the basket hedge is preferably made equal to the notional value of the tracking basket.

Re claims **5** and **10**, Groveman teaches predetermined plan includes diminishing the requested quantity of stock participation in the collared option hedge product for each of plurality of customers by a percentage equal to the percentage by which total demand

exceeds the maximum quantity of stock allocated for the collared option hedge product (col. 4, lines 35-48).

### ***Allowable Subject Matter***

Claims **4, 9, and 50-60** are allowed.

The following is an examiner's statement of reasons for allowance: The prior arts of record fail to teach, singly or in combination, employing the couple value, if the demand for collared option hedge product exceeds the maximum quantity of stock accommodated by product, allocating the availability of the collared option hedge product in accordance with a predetermined plan.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

### **Conclusion**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thu Thao Havan whose telephone number is (571) 272-8111. The examiner can normally be reached on Monday-Friday from 6am-2pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles Kyle can be reached on (571) 272-6746. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct-uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at (866) 217-9197 (toll-free).

/Thu Thao Havan/  
Primary Examiner, Art Unit 3695